

Senate File 436 - Introduced

SENATE FILE 436
BY COMMITTEE ON STATE
GOVERNMENT

(SUCCESSOR TO SF 207)

A BILL FOR

1 An Act requiring certain not-for-profit organizations to file
2 campaign disclosure reports and making penalties applicable.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 68A.102, subsection 18, paragraph b,
2 Code 2011, is amended to read as follows:

3 b. An association, lodge, society, cooperative, union,
4 fraternity, sorority, educational institution, civic
5 organization, labor organization, religious organization, ~~or~~
6 professional organization, or any organization qualifying under
7 26 U.S.C. § 501(c)(4) or § 501(c)(6) as an organization exempt
8 from taxation that accepts contributions in excess of seven
9 hundred fifty dollars in the aggregate, makes expenditures in
10 excess of seven hundred fifty dollars in the aggregate, or
11 incurs indebtedness in excess of seven hundred fifty dollars in
12 the aggregate in any one calendar year to ~~expressly advocate~~
13 ~~the nomination, election, or defeat of a candidate for public~~
14 ~~office, or to expressly advocate the passage or defeat of a~~
15 ~~ballot issue~~ engage in activities related to the nomination,
16 election, or defeat of a candidate for public office or related
17 to issue advocacy.

18 Sec. 2. Section 68A.401A, subsection 1, unnumbered
19 paragraph 1, Code 2011, is amended to read as follows:

20 A political organization that is required to file reports
21 with the internal revenue service, pursuant to 26 U.S.C. § 527,
22 or an organization qualifying under 26 U.S.C. § 501(c)(4) or §
23 501(c)(6) as an organization exempt from taxation shall file
24 a report with the board if that organization does both of the
25 following:

26 Sec. 3. Section 68A.401A, subsection 3, Code 2011, is
27 amended to read as follows:

28 3. a. The board shall by rule establish a procedure for
29 the filing of reports required by this section. To the extent
30 practicable the reporting periods and filing due dates shall be
31 the same as set out in 26 U.S.C. § 527(j)(2).

32 b. The report required from an organization qualifying under
33 26 U.S.C. § 501(c)(4) or § 501(c)(6) as an organization exempt
34 from taxation shall contain the same information as a report
35 prepared pursuant to 26 U.S.C. § 527.

EXPLANATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

A "501(c)" is a tax-exempt, nonprofit corporation or association. The term is a reference to the United States Internal Revenue Code. A 501(c)(4) organization includes a nonprofit civic league or organization operated exclusively for the promotion of social welfare. A 501(c)(6) organization includes a business league, chamber of commerce, or similar group not organized for profit. This bill amends the definition of "political committee" to include these organizations.

The bill also requires organizations qualifying as exempt from taxation under § 501(c)(4) or § 501(c)(6) of the Internal Revenue Code to file reports with the ethics and campaign finance disclosure board if they participate in Iowa campaigns, engage in issue advocacy, or expect to receive \$25,000 or more in gross receipts in a year.

The report for a § 501(c)(4) or § 501(c)(6) organization must contain the same information as a report prepared pursuant to 26 U.S.C. § 527, relating to political organizations.

As provided in Code section 68A.701, a willful violation of any provision of the campaign finance Code chapter is a serious misdemeanor punishable by confinement for up to one year and a fine of at least \$315 but not more than \$1,875. A variety of civil remedies are also available in Code section 68B.32D for a violation of Code chapter 68A or rules of the ethics and campaign disclosure board, ranging from a reprimand to a civil penalty of not more than \$2,000.